

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6635 / June 26, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21980

In the Matter of

CHAUNCEY FORBUSH
LUFKIN, III,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Chauncey Forbush Lufkin, III (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, And Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent is the President, Chief Compliance Officer, and owner of 75% or more of Lufkin Advisors, LLC, an investment adviser registered with the Commission.

2. On June 25, 2024, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Advisers Act Sections 206(1), (2), and (4); and 207, and Rule 206(4)-8 thereunder, and aiding and abetting violations of Advisers Act Sections 204(a) and 204A, and Rules 204-2(a); 204A-1; 206(4)-2; and 206(4)-7 thereunder, as set forth in the judgment entered in the civil action entitled Securities and Exchange Commission v. Chauncey Forbush Lufkin, III, et al., Civil Action Number 9:23-CV-81289, in the United States District Court for the Southern District of Florida.

3. The Commission's complaint alleged that, Lufkin Advisors and Chauncey Lufkin engaged in a fraudulent course of conduct that included a loss of control of crypto assets entrusted to them for at least one year without disclosure of that fact to advisory clients, multiple investments with Mr. Lufkin's spouse's employer without proper disclosure to private fund investors, failure to properly account for withdrawals from the private funds, failure to monitor the value of the investments made by the private funds, and a general derogation of their duty to manage the assets entrusted to them. The complaint also alleges that Lufkin Advisors and Chauncey Lufkin did not adhere to many of the statutes and rules applicable to registered investment advisers, including rules concerning the custody of assets, the accuracy of reports filed with the SEC, and the maintenance of required adviser records.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Chauncey Forbush Lufkin, III's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Chauncey Forbush Lufkin, III be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award

related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary